Virginia Department of Agriculture & Consumer Services
Resilient Food Systems and Infrastructure
Information Session
March 11, 2024

PURPOSE OF THE WEBINAR

- To provide an overview of the Resilient Food Systems Infrastructure Program and the requirements for the Infrastructure Grant and Equipment-Only Grant –

- Request for Applications (RFA) Opens: March 15th 2024.

- Grant Deadline: April 15, 2024 at 11:59 pm EST.

- Email your proposals to:

- Keisha.Williams@VDACS.virginia.gov

- Seth.Benton@VDACS@virginia.gov

- ONLINE ONLY!!!

- Webinar will be recorded and posted on the VDACS website. Please put your questions in the chat.

OVERVIEW

Established in 1877, the Virginia Department of Agriculture and Consumer Services (VDACS) promotes the economic growth and development of Virginia agriculture, provides consumer protection and encourages environmental stewardship. The Virginia Department of Agriculture and Consumer Services (VDACS) entered into a cooperative agreement with USDA Ag Marketing Services (AMS) through the Resilient Food Systems Infrastructure Program (RFSI) to build the state's middle-of-the-supply-chain for food crops.

Approximately $6.5 million will be available for competitive subaward grants to support the development of the middle-of-the-supply-chain for Virginia-based food farm businesses and other eligible entities

RFSI Program Overview

*The purpose of the Resilient Food Systems Infrastructure Program (RFSI) is to assist U.S. states and territories (States) to build resilience in the middle-of-the-supply-chain and strengthen local and regional food systems by creating new revenue streams for their state's producers. States will make subawards in the form of Infrastructure Grants to middle-of-the-supply businesses to create more diverse local and regional market options and create more economic opportunities for communities, allowing them to retain more of the value chain dollar.

*RFSI investments aim to create a food systems infrastructure to support competitive and profitable market access for domestic farm products. States may propose that some of the funds for program management and technical assistance functions when those functions include complementary state-led supply chain coordination, in alignment with these program goals.
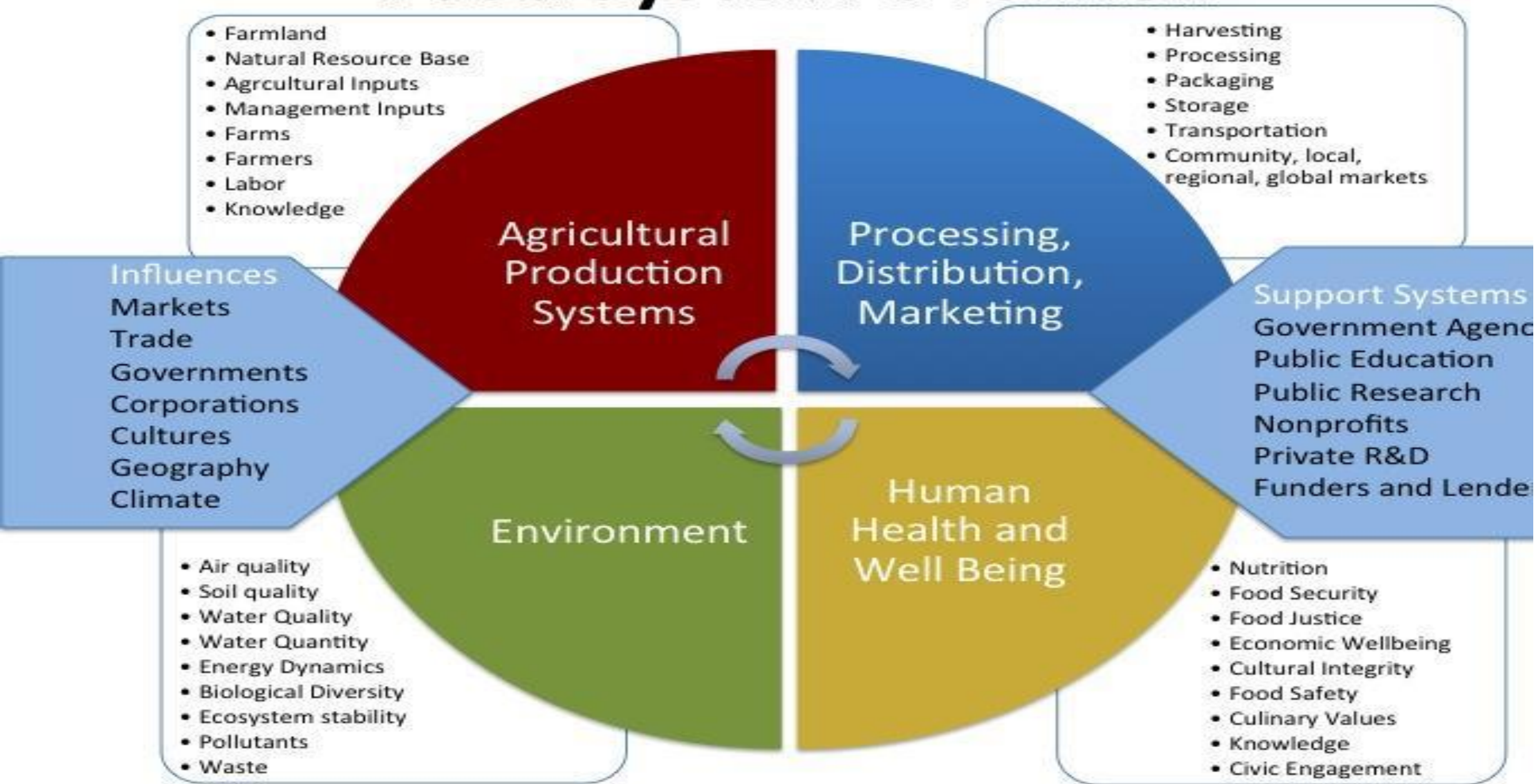
*RFSI serves as an important component of USDA's framework to transform the food system to benefit consumers, producers, and rural communities by providing more options, increasing access, and creating new, more, and better markets for small and mid-size producers. The pandemic and recent supply chain disruptions have revealed the perils of a national food system that depends on capacity concentrated in a few geographic areas and requires many steps to get from farm to fork. To be more resilient, the food system of the future needs to be more diversified, distributed, and local.
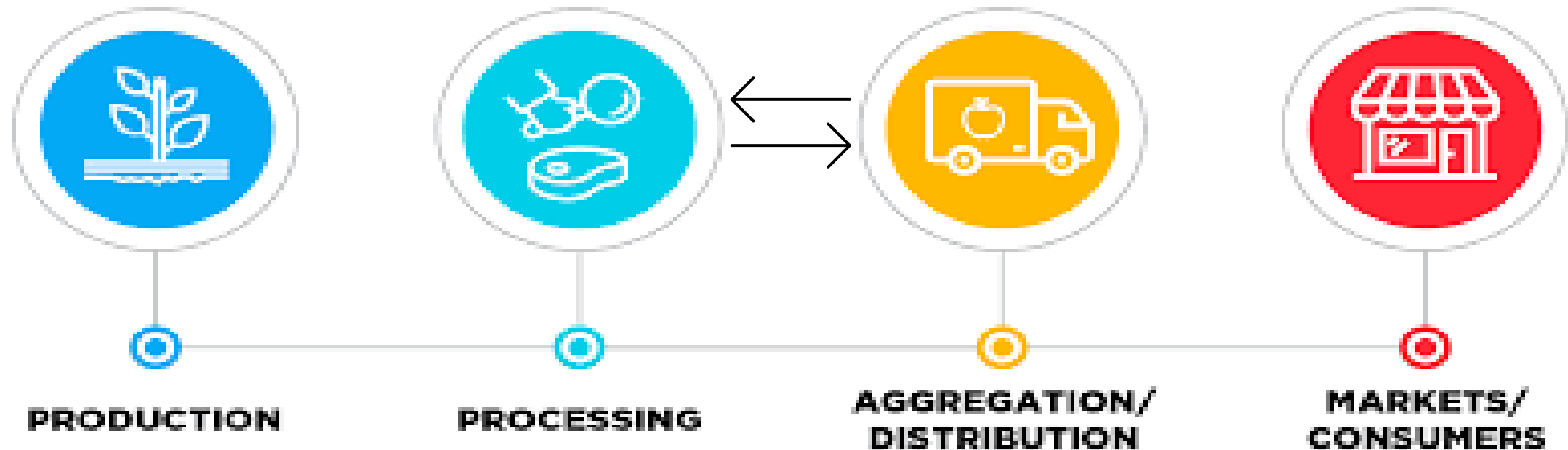
*RFSI addresses this need by targeting crucial parts of the agricultural supply chain to address gaps in existing pandemic assistance, Food Systems Transformation (FST) programs, and other USDA programs. The primary goal of RFSI is to support food system crops and products meant for human consumption (excluding meat and poultry products, which are funded through other USDA programs).

Food System Overview

Agricultural Production Systems
- Farmland
- Natural Resource Base
- Agrcultural Inputs
- Management Inputs
- Farms
- Farmers
- Labor
- Knowledge

Processing, Distribution, Marketing
- Harvesting
- Processing
- Packaging
- Storage
- Transportation
- Community, local, regional, global markets

Influences
Markets
Trade
Governments
Corporations
Cultures
Geography
Climate

Support Systems
Government Agenc
Public Education
Public Research
Nonprofits
Private R&D
Funders and Lende

Environment
- Air quality
- Soil quality
- Water Quality
- Water Quantity
- Energy Dynamics
- Biological Diversity
- Ecosystem stability
- Pollutants
- Waste

Human Health and Well Being
- Nutrition
- Food Security
- Food Justice
- Economic Wellbeing
- Cultural Integrity
- Food Safety
- Culinary Values
- Knowledge
- Civic Engagement

Middle of the Supply Chain

PRODUCTION

PROCESSING

AGGREGATION/
DISTRIBUTION

MARKETS/
CONSUMERS

FEDERAL and STATE FUNDING PRIORITIES

Federal funding priorities

- Underserved farmers and ranchers

- New and beginning farmers and ranchers

- Veteran producers

- Processors and other middle of the supply chain businesses owned by socially disadvantaged individuals, as defined by the Small Business Administration (SBA).

State funding priorities based on statewide outreach on a listening session and survey

- Cold storage equipment

- Expanding the capacity for processing, aggregation, and distribution

- Supporting construction of new facilities

- Improving operations through employee training

- Modernizing manufacturing, tracking, storage, and information technology systems
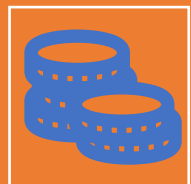
RFSI GRANTS

VDACS will issue the following two types of grants through the RFSI program:

Infrastructure Grants

● Minimum of $100,000 up to $3 million

Simplified Equipment-Only Grants

● Minimum of $10,000 and maximum of $100,000

An eligible entity may only apply for one grant type and cannot apply for both. Applicants must choose one grant type over the other.

INFRASTRUCTURE GRANTS

Infrastructure Grant:

Minimum of $100,000 up to $3 million

Match requirements:

a. 50% of the total proposed project costs. Example: Total project costs = $1 million - $500,000 in federal funds and $500,000 in match.

b. Reduced Match of 25% of total proposed project cost for entities that identify as:

i. Small and Underserved Business Owners, Historically Underserved Farmers or Ranchers, or for other businesses that qualify under the Small Business Administration (SBA) categories of Small Disadvantaged Business, Women-Owned Small Business, and Veteran-Owned Small Businesses

ii. Example: Total project costs = $1 million -$750,000 in federal funds and $250,000 in match.

c. Need Signed Match Verification Letters

Templates can be found on the VDACS website.

Match Requirement

Infrastructure grant recipients are required to contribute **50%** of the total project cost as a match to federal funding.

This may be as cash, in-kind, or a combination of the two.

This applies to all applicants except those who qualify for the reduced match.

All applicants will be required to certify their match through submission of a Letter of Match Verification for **EACH** source of match.

Reduced Match Funds

- For historically underserved farmers and ranchers, or for other businesses that qualify under SBA categories of small, disadvantaged business, women-owned small business, or veteran-owned small business, the required match funding contribution or cost share is reduced to **25%** of the project cost.

- Applicants will self-certify in their Infrastructure Grant applications to being eligible for this reduced match.

- For non-profits and formal cooperatives to qualify for the reduced matching funds the majority (51% or higher) of the board of directors or owners/operators need to meet the criteria.

Other fund matching information

- **In-kind** contributions are defined, when used as a cost share or match for a grant, as the value of goods or services provided for the benefit of the grant program, where no funds transferred hands.

- These contributions cannot satisfy a cost sharing or matching requirement for this grant program if they are used toward satisfying a match requirement under any other Federal grant agreement to which the applicant is a party.

- **Indirect costs** may count toward the Infrastructure Grant applicant's match. Program income or any other Federal funds is an ineligible source of match or cost share.

ELIGIBLE ENTITIES PRODUCTS and PROJECTS

ELIGIBLE ENTITIES

- Agricultural producers or processors, or groups of agricultural producers and processors.

- Nonprofit organizations operating middle-of-the-supply-chain activities

- For-profit entities operating middle-of-the-supply-chain activities whose activities are primarily focused for the benefit of local and regional producers.
    - Must meet the eligibility requirements of the SBA small business size standards.

- Local government and tribal government entities operating middle-of-the-supply-chain activities

- Institutions such as schools, universities, or hospitals bringing producers together to establish cooperative or shared infrastructure or invest in equipment that will benefit multiple producers middle-of-the-supply-chain activities that will benefit multiple local/regional Virginia producers

- Individual producers and sole proprietors are eligible to apply, however those sole entities should be able to demonstrate that their proposal provides a broader benefit to local and or regional producers, markets, stakeholders, the community etc..

ELIGIBLE VS. INELIGIBLE PRODUCTS

ELIGIBLE

- Fruits
- Vegetables
- Grains for human consumption
- Tree nuts
- Edible flowers
- Dairy
- Eggs
- Honey
- Mushrooms
- Aquaculture
- Wineries

INELIGIBLE

- Meat and poultry
- Wild-caught seafood
- Exclusively animal feed and forage products
- Fiber
- Landscaping products
- Floriculture
- Tobacco
- Dietary supplements

ELIGIBLE PROJECTS

- Expanding capacity for processing, aggregation and distribution of agricultural products to create more and better markets for producers

- Modernizing manufacturing, tracking, storage, and information technology systems

- Enhancing worker safety through adoption of new technologies or investment in equipment or facility improvements

- Improving the capacity of entities to comply with federal, state, and local food safety requirements

- Improving operations through training opportunities

- Increasing packaging and labeling capacities that meet compliance requirements under applicable laws (e.g. sealing, bagging, boxing, labeling, conveying, and product moving equipment); and

- Modernizing or expanding an existing facility (including expansion and modifications to existing buildings and/or construction of new buildings at existing facilities).

INFRASTRUCTURE INELIGIBLE PROJECTS

- Acquiring property

- Projects focused on meat and poultry processing or other ineligible agricultural products

- Activities that have received a Federal award from another Federal award program*

- Expenses that have been or will be reimbursed under any Federal, State, or local government funding

- Projects which have already received funding from another federal grant or subaward programs may not receive funding for the same activities through an Infrastructure Grant.

*Infrastructure Grants may build on the successes of prior federal funded grants

FEDERAL PERMITTING

Build America, Buy America (BABA)

- **Overview**: Any public infrastructure project funded under RFSI must coordinate with AMS to ensure adherence to BABA guidance. For such projects, the recipient must comply with the Buy America Sourcing requirements outlined in the Build America, Buy America (BABA) provisions of the

- Infrastructure Investment and Jobs Act.

- **For-Profit Entities**: BABA is not applicable to for-profit entities (either prime or subrecipient) particularly for infrastructure projects. AMS will review facilities owned by public entities to determine whether BABA requirements apply, following USDA guidance to exempt de minimis grant awards and other inapplicable activities. All other Infrastructure Grant entities that surpass the $250,000 threshold of applicable procurement costs must adhere to BABA.

- **Small Grants Waiver**: The small grants waiver will apply to awards with total federal funding below the Simplified Acquisition Threshold, which is currently set at $250,000.

- BABA is not applicable to Equipment Only Grants as they do not surpass this threshold of $250,000.

- Resource: 2 CFR Part 184 - BUY AMERICA PREFERENCES FOR INFRASTRUCTURE PROJECTS:

- https://www.ecfr.gov/current/title-2/part-184

- **National Environmental Policy Act (NEPA) Overview**: All activities funded under RFSI must comply with the National Environmental Policy Act (NEPA) and related applicable agency regulations and instructions, Section 106 of the National Historic Preservation Act (NHPA), the Endangered Species Act (ESA), other laws and regulations as outlined therein, and any applicable state, local, or tribal laws. A review for NEPA compliance is required prior to the award of grant funds. If selected for an award, applicants must provide all requested information to support compliance with NEPA, NHPA, ESA, and all other federal environmental laws and regulations.

- **Resource**: **A Citizen's Guide to NEPA (doe.gov)** is a relatively short guide that provides an overview of NEPA requirements

EVIDENCE OF CRITICAL INFRASTRUCTURE

- Evidence of Critical Infrastructure is required if critical resources and/or infrastructure are necessary for the completion of the proposed Infrastructure Grant project.

- Applicants must submit evidence that critical resources and infrastructure necessary to support the initiation and completion of a project are in place.

- Land, structures, and other critical resources must be in place and in working condition. The letter must indicate the critical resources that are necessary for initiation and completion of the project and certify that they are in place and committed prior to the start date of the project.

- Letter must accompany the Infrastructure Grant proposal at the time of application to the State. A template is located on VDACS Website.

SIMPLIFIED EQUIPMENT-ONLY GRANT

- Minimum of $10,000 and maximum of $100,000 for equipment-only, fees, and delivery.

- Fixed price grant, meaning it will fund only equipment purchases.

- It will not fund associated facility upgrades, staffing, installation, or other costs.

- Documentation can include contracts, catalog pricing, or binding quotes provided by licensed commercial entities. The cost of delivery can be covered by the grant if they are listed in the official bid.

- Must comply with Federal and State Permitting.

- No Match required.

SIMPLIFIED EQUIPMENT-ONLY GRANT

Allowable Expenses

- Applicants may request funds for equipment *only.*

- Equipment costs are costs for equipment valued at $5,000 or higher, per unit.

- Applicants should explain how the equipment purchases will enhance middle-of-the-supply-chain activities and provide expense justification documents for the equipment items requested.

- Applicants must submit documentation to substantiate the costs of each piece of equipment, which can include contracts, catalog pricing, or binding quotes provided by license commercial entities.

SIMPLIFIED EQUIPMENT-ONLY GRANT

Unallowable Expenses

- Any expense incurred prior to the Contract Effective date.

- Costs for projects focused on ineligible products including meat and poultry processing, wild-caught seafood, exclusively animal feed and forage products, fiber, landscaping products, tobacco, or dietary supplements.

- Expenses that do not support middle-of-the-supply-chain

- Real property purchases (including land purchases)

- Expenses that have been or will be reimbursed under any Federal, State, or local government funding.

INFRASTRUCTURE & EQUIPMENT ONLY APPLICATION PACKET

- Download the Infrastructure Grant Application OR Equipment-Only Application (PDF file) from VDACS's website. Either Grant Proposal must be completed in the PDF Format.

- Complete the application in its entirety.

- Download the Match Verification Letter Template (Word document) from the VDACS website.

- Complete the template for EACH critical resource/piece of infrastructure (necessary land, buildings, or other resources

- Source of matching funds/resources

- Ensure each letter is signed by an authorized organization representative from each source of matching funds

- Upload the completed, signed match verification letter(s) in PDF format

- Eligibility Requirements

- *W9

- Obtain an UEI Number on SAM.gov - up to 2 weeks to obtain

- EIN

- 3 Letters of Support

- Screenshot of being in "Good standing with the State"

INFRASTRUCTURE & EQUIPMENT ONLY APPLICATION PACKET

● Download the Evidence of Critical Resources and Infrastructure Letter Template (Word document) from VDACS website.

● Complete the template for EACH critical resource/piece of infrastructure (necessary land, buildings, or other resources)

● Ensure each letter is signed by an authorized organization representative from each source of matching funds

● Upload the completed, signed match verification letter(s) in PDF format
- Format and Submission: All documents must be in a PDF.

- Send application and related materials to:

Seth Benton Seth.Benton@VDACS.virginia.gov or
Keisha Williams Keisha.Williams@VDACS.virginia.gov

by April 15th at 11:59 pm est. Proposals are submitted ONLINE ONLY!

- **Construction Documents (Infrastructure)**
- **If your project includes a construction component, provide design documents, supply lists, etc. that illustrate the scope of the construction project**

Key Dates

- Grant Opens: March 15th

- Office Hours : March 26th

  April 11th

* Closes April 15th at 11:59pm est.

- VDACS Evaluation process: April - May

- Submit to USDA May 22, 2024

- USDA Evaluation: May – June

- Grantees announced July 2024

- Award funding begins August 1st 2024

- Grant terms ends June 31st 2027

Important Links:

VDACS: www.vdacs.virginia.gov/food-food-distribution.shtml

USDA: www.ams.usda.gov/services/grants/rfsi

Contacts

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KEISHA WILLIAMS

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QUESTIONS

OTHER FUNDING OPPORTUNITIES

- [USDA Rural Development Value Added Producer Grant-](#) OPEN Due April 11, 2024

- [USDA Local Food Promotion Program](#) (and other LAMP programs)

- [Regional Food Business Centers](#)

- [Women's Business Development Council](#)